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Lynn R. Charytan EVP & General Counsel Comcast Cable SVP & Sr. Deputy General Counsel Comcast Corporation

January 29, 2018

# **VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

Re: In the Matter of Applications of Comcast Corporation, General Electric Company, and NBC Universal Inc. for Consent to Assign Licenses and Transfer Control of Licensees, MB Docket No. 10-56

Dear Ms. Dortch:

In accordance with the provisions of the Memorandum Opinion and Order adopted in the above-referenced proceeding, <sup>1</sup> Comcast Corporation, for itself and on behalf of NBCUniversal Media, LLC (collectively, the "Company"), hereby submits its Final Annual Report of Compliance with Transaction Conditions. This report summarizes the steps the Company has taken across its various business units to comply with each of the Conditions in Appendix A of the *Transaction Order*. A copy of this report will be available at <a href="https://corporate.comcast.com/policy/nbcuniversal-transaction">https://corporate.comcast.com/policy/nbcuniversal-transaction</a>.

Please do not hesitate to contact me should you have any questions.

Sincerely yours,

Lynn R. Charytan

EVP & General Counsel

Comcast Cable

SVP & Senior Deputy General Counsel

**Comcast Corporation** 

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Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) ("Transaction Order").

Ms. Marlene H. Dortch January 29, 2018 Page 2

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# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC

In the Matter of	)	
	)	
Applications of Comcast Corporation,	)	
General Electric Company,	)	MB Docket No. 10-56
and NBC Universal, Inc.	)	
	)	
For Consent to Assign Licenses and	)	
Transfer Control of Licensees	)	

# FINAL REPORT OF COMPLIANCE WITH TRANSACTION CONDITIONS

Comcast Corporation NBCUniversal Media, LLC

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January 29, 2018

# FINAL REPORT OF COMPLIANCE WITH TRANSACTION CONDITIONS

Comcast Corporation ("Comcast"), for itself and on behalf of NBCUniversal Media, LLC ("NBCUniversal") (and collectively, the "Company"), submits its Final Report of Compliance with Transaction Conditions, detailing the Company's compliance with the conditions set forth in Appendix A (the "Conditions") of the *Transaction Order*<sup>1</sup> for the period of January 29, 2017 through January 28, 2018 (the "Reporting Period"). In accordance with Condition XIX of the *Transaction Order*, a copy of this report is available as of today on the Corporate Website.<sup>2</sup>

This report is organized to correspond with each section of the Conditions. Where a particular section is definitional only or otherwise does not include directives requiring or prohibiting certain conduct, this report nonetheless includes a reference for completeness.

As previously reported, transaction compliance is led by David L. Cohen, Comcast Corporation's Senior Executive Vice President, and supported by dedicated Transaction Compliance Teams at both Comcast and NBCUniversal. The teams will remain in place at least through the conclusion of the term of the companion Department of Justice conditions in September 2018. The teams collaborate to ensure consistency in compliance methods, interpretation, and oversight across the Company's numerous business units, train relevant

Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc., for Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (as amended by the Erratum released on March 9, 2011). Capitalized terms have the meaning ascribed herein and do not necessarily conform to the terms or definitions used in the *Transaction Order*.

<sup>&</sup>lt;sup>2</sup> See <a href="https://corporate.com/policy/nbcuniversal-transaction">https://corporate.com/policy/nbcuniversal-transaction</a> ("Corporate Website").

personnel, and review any transaction that may implicate the Conditions. The Company also operates an enterprise-wide database to track compliance with each of the Conditions.

As described in previous annual reports and herein, the Company has met or exceeded all of the commitments and obligations in the *Transaction Order* for each of the past seven years.

# **COMPLIANCE WITH SPECIFIC CONDITIONS**

#### I. **DEFINITIONS**

Provision defining the terms used in the Conditions: This section is definitional only.

#### II. ACCESS TO COMCAST-NBCUNIVERSAL PROGRAMMING

Provision establishing that multichannel video programming distributors ("MVPDs") may submit program access disputes to commercial arbitration: NBCUniversal remains committed to good faith commercial negotiations designed to make its programming available to MVPDs at a mutually acceptable price, and on mutually acceptable terms and conditions. During the Reporting Period, no MVPD submitted an arbitration demand relating to a dispute over the terms of carriage.<sup>3</sup>

#### III. CARRIAGE OF UNAFFILIATED VIDEO PROGRAMMING

#### 1. Non-Discriminatory Carriage

Prohibition on the Company discriminating in video programming distribution on the basis of affiliation or non-affiliation: Compliance with the program carriage requirements is integrated into the Company's day-to-day business and guides its carriage decisions; this is also an area of focus for the Comcast Transaction Compliance Team. As reported last year, Liberman Broadcasting, Inc. ("LBI")'s program carriage complaint regarding its Spanish-language broadcast channel, EstrellaTV, was dismissed by the Media Bureau, and its petition for reconsideration is pending. On June 8, 2017, The Word Network ("Word") filed a program carriage complaint alleging that Comcast discriminated against it on the basis of non-affiliation by reducing distribution of Word and increasing distribution of The Impact Network, another unaffiliated network. On October 30, 2017, the Media Bureau dismissed Word's complaint for failure to put forth sufficient evidence to establish a prima facie case that Comcast discriminated against it in violation of the non-discrimination condition.<sup>4</sup>

<sup>&</sup>lt;sup>3</sup> NBCUniversal received a notice of intent to arbitrate for certain RSN programming. That notice was subsequently rendered moot when the party was acquired by an entity with a superseding carriage agreement for the same programming.

<sup>&</sup>lt;sup>4</sup> Word's complaint also alleged violations of the Exclusivity/Windowing and Unfair Practices conditions. The Media Bureau's Order indicated that it would address these allegations in a separate decision.

Comcast continued to demonstrate its commitment to the distribution of unaffiliated programming by launching new independent networks and substantially expanding the distribution of several existing independent networks owned by or focused on diverse audiences. Comcast carries over 160 independent networks, including many small, diverse, and international ones, and six of every seven networks carried by Comcast are unaffiliated with the Company.

# 2. Neighborhooding

Requirement that independent news channels be included if Comcast creates news neighborhoods: As previously reported, Comcast has fully repositioned Bloomberg Television in all relevant markets in accordance with the Commission's order in *Bloomberg L.P. v. Comcast Cable Communications, LLC*, MB Docket No. 11-104, Memorandum Opinion and Order (rel. Sep. 26, 2013). The Company has received no other neighborhooding requests.

# 3. New Independent Networks

Requirement to launch 10 new independently owned or operated networks within eight years, eight of which are to be minority owned or controlled: Since the NBCUniversal transaction, Comcast has successfully launched 10 Independent Networks (as defined in the Condition) on its D1 tier, including six networks that were launched as a result of a public request for channels that satisfied the criteria established in several agreements between Comcast and leading diversity organizations: two African American majority owned networks (ASPiRE and REVOLT), two Hispanic American operated networks (Baby First Americas and El Rey), and two substantially Hispanic American owned networks (Kids Central and Primo TV). As reported last year, the Company announced that it is accepting proposals for two majority- or substantially- owned African American independent networks that it will launch in select Comcast markets by January 2019.<sup>5</sup>

#### 4. Program Carriage Complaints

A. Online Program Access Requirements and Procedures

*Procedure for bringing carriage complaints:* This section is administrative in nature.

#### IV. ONLINE CONDITIONS

Provision setting forth program access requirements that obligate the Company to provide its programming for online display by third parties in certain circumstances: Agreements with online video distributors ("OVDs") continue to be a regular part of the Company's program licensing business, as they were before the Transaction. NBCUniversal also entered into or renewed agreements with several OVDs during the Reporting Period,

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An additional 15 Independent Networks have been launched across Comcast's footprint on other service tiers since the NBCUniversal transaction.

including deals with Amazon, Hulu, Netflix, and others,<sup>6</sup> as well as deals with multiple MVPDs that include access to linear channels across multiple platforms. In addition, NBCUniversal has entered into agreements for carriage of its broadcast stations and linear programming services on CenturyLink Stream,<sup>7</sup> Hulu TV,<sup>8</sup> and Google's YouTube TV.<sup>9</sup> (NBCUniversal has existing linear content deals with online services like AT&T's DIRECTV Now, Sony's PlayStation Vue, and Dish's Sling TV.) Separate from these linear network deals with OVDs, NBCUniversal agreed to produce original programming for OVDs, including Amazon,<sup>10</sup> Apple,<sup>11</sup> Netflix,<sup>12</sup> and Snapchat.<sup>13</sup> The NBC Network also reached an agreement with a majority of its affiliates to collectively provide local and network programming to OVDs by opting in to NBCUniversal's

B.E. Sandberg, Amazon Orders 'Hanna' TV Adaptation to Series, The Hollywood Reporter, <a href="https://www.hollywoodreporter.com/live-feed/amazon-orders-hanna-tv-adaptation-series-1002674">https://www.hollywoodreporter.com/live-feed/amazon-orders-hanna-tv-adaptation-series-1002674</a> (May 23, 2017); E. Pedersen, Hulu Lands SVOD Rights To '30 Rock', 'Parenthood' & Others In Deal With NBCUniversal TV, Deadline.com, <a href="https://deadline.com/2017/09/hulu-30-rock-parenthood-face-off-paul-reiser-nbcuniversal-tv-1202178007/">https://deadline.com/2017/09/hulu-30-rock-parenthood-face-off-paul-reiser-nbcuniversal-tv-1202178007/</a> (Sep. 27, 2017); NBCUniversal and Netflix Renew Multi-Year TV and Film Content Agreement, <a href="https://www.cmcsa.com/news-releases/news-release-details/nbcuniversal-and-netflix-renew-multi-vear-tv-and-film-content">https://www.cmcsa.com/news-releases/news-release-details/nbcuniversal-and-netflix-renew-multi-vear-tv-and-film-content</a> (Jul. 13, 2017).

<sup>&</sup>lt;sup>7</sup> CenturyLink Bows Beta of OTT TV Service, Multichannel News, <a href="http://www.multichannel.com/news/content/centurylink-bows-beta-ott-tv-service/413780">http://www.multichannel.com/news/content/centurylink-bows-beta-ott-tv-service/413780</a> (Jun. 29, 2017).

<sup>&</sup>lt;sup>8</sup> D. Holloway, Hulu Sets Live TV Carriage Pact for NBCUniversal Channels, Variety.com, <a href="http://variety.com/2017/tv/news/hulu-nbcuniversal-carriage-pact-1202404615/">http://variety.com/2017/tv/news/hulu-nbcuniversal-carriage-pact-1202404615/</a> (May 1, 2017).

<sup>&</sup>lt;sup>9</sup> M. Barr, YouTube TV Launches without MTV and Comedy Central, But Not for Long, Forbes.com, <a href="https://www.forbes.com/sites/merrillbarr/2017/04/11/youtube-tv-will-get-mtv-comedy-central-and-tbs-its-an-inevitability/#7b9ad2d81bdd">https://www.forbes.com/sites/merrillbarr/2017/04/11/youtube-tv-will-get-mtv-comedy-central-and-tbs-its-an-inevitability/#7b9ad2d81bdd</a> (Apr. 11, 2017).

<sup>&</sup>lt;sup>10</sup> D. Holloway, Amazon Orders 'Hanna' Series from NBCUniversal International Studios, Variety.com, <a href="http://variety.com/2017/tv/news/amazon-orders-hanna-1202440890/">http://variety.com/2017/tv/news/amazon-orders-hanna-1202440890/</a> (May 23, 2017).

J. Flint and T. Mickle, Apple Strikes Deal with Spielberg's Amblin for 'Amazing Stories' Reboot, The Wall Street Journal, <a href="https://www.wsj.com/articles/apple-signs-content-deal-with-steven-spielberg-1507656455">https://www.wsj.com/articles/apple-signs-content-deal-with-steven-spielberg-1507656455</a> (Oct. 10, 2017).

N. Andreeva, Netflix Greenlights Comedy From Natasha Lyonne, Leslye Headland & Amy Poehler, Deadline.com, <a href="http://deadline.com/2017/09/netflix-comedy-natasha-lyonne-leslye-headland-amy-poehler-1202173835/">http://deadline.com/2017/09/netflix-comedy-natasha-lyonne-leslye-headland-amy-poehler-1202173835/</a> (Sep. 20, 2017).

<sup>&</sup>lt;sup>13</sup> R. Browne, Snap Teams with NBCUniversal in Drive for TV Shows on Snapchat, CNBC.com, <a href="https://www.cnbc.com/2017/10/17/snap-teams-with-nbcuniversal-in-drive-for-tv-shows-on-snapchat.html">https://www.cnbc.com/2017/10/17/snap-teams-with-nbcuniversal-in-drive-for-tv-shows-on-snapchat.html</a> (Oct. 17, 2017).

distribution deals for over-the-top streaming services.<sup>14</sup>

As previously reported, the applications for review in the Project Concord arbitration remain pending, <sup>15</sup> as does the application for review filed by several content companies challenging the Media Bureau's clarification that OVDs invoking the Benchmark Condition must disclose the terms of the comparable peer agreements to NBCUniversal's outside counsel and consultants to the extent necessary to enable NBCUniversal to carry out its obligations under the Condition. <sup>16</sup>

#### B. Exclusivity/Windowing

Restriction on the Company's ability to enter into or enforce provisions designed to limit online video distribution, except in certain circumstances: The Company carefully reviews proposals to limit online display of video programming, whether in carriage or licensing agreements, to ensure compliance with this Condition. The Company believes that its approach positions it as the most "online friendly" programmer and MVPD in the industry.

# C. Continued Access to Online Content and Hulu

# 1. Continued Programming on NBC.com

Requirement to continue to provide equivalent programming on NBC.com on equivalent terms and conditions: During the Reporting Period, NBC.com maintained programming of the equivalent type, quantity, and quality as provided by the site on the date of the *Transaction Order*, and on equivalent terms and conditions.

# 2. Preexisting OVD Deals

Obligation to honor any agreement or arrangement entered into before the date of the Transaction Order providing rights to online video programming: Preexisting licenses for online display of programming continue to be honored until the close of their existing terms, absent material breach by the licensee.

#### 3. Provision of Content to Hulu

Requirement that NBCUniversal renew its agreements with Hulu on substantially the same terms and conditions as the other two content partners (Disney-ABC Television Group and

<sup>14</sup> T. Spangler, NBC Reaches Deal with TV Affiliates for Opting in to Internet Video Distribution Agreements, <a href="http://variety.com/2017/digital/news/nbc-tv-affiliates-internet-video-ott-distribution-agreements-1202030200/">http://variety.com/2017/digital/news/nbc-tv-affiliates-internet-video-ott-distribution-agreements-1202030200/</a> (Apr. 13, 2017).

<sup>&</sup>lt;sup>15</sup> In the Matter of Arbitration between Project Concord, Inc. v. NBCUniversal Media, LLC, MB Docket No. 10-56, Project Concord, Inc.'s Application for Review (filed Dec. 13, 2012); NBCUniversal Media LLC's Application for Review (filed Dec. 13, 2012).

<sup>&</sup>lt;sup>16</sup> MB Docket No. 10-56, Order (rel. Dec. 4, 2012).

Fox Entertainment Group): The parties' interactions in this regard have been conducted in accordance with the provisions of this Condition.

# 4. Relinquishment of Control over Hulu

Obligation to convert NBCUniversal's interest in Hulu to one that is purely economic: As previously reported, this obligation has been completed.

#### D. Standalone Broadband Internet Access Service ("BIAS")

#### 1. Provision of Standalone BIAS

Requirement to provide BIAS on a standalone basis and to offer a new 6 Mbps down service at no more than \$49.95 per month: Comcast continues to offer, on a standalone basis and at reasonable prices, any tiers of BIAS that it offers on a bundled or multi-product basis. Comcast also offers its "Performance Starter" tier, a standalone BIAS service with speeds of at least 10 Mbps down (an increase over the Condition's requirement), priced at \$49.95 per month. As previously reported, Comcast satisfied the *Broadband Consent Decree* requirement in full by offering Performance Starter through February 21, 2015, although the Company continues to offer the tier.<sup>17</sup>

# 2. Visibly Offer and Actively Market Retail Standalone BIAS

Obligation to visibly offer and actively market standalone BIAS: Comcast regularly promotes standalone BIAS in its general marketing efforts, referencing the standalone BIAS options in advertisements and other promotional materials. As required by this Condition, Comcast supplemented its normal practices during the Reporting Period with a major advertising campaign for its standalone BIAS offerings. Comcast has also implemented safeguards designed to ensure that standalone BIAS services are actively marketed, including a requirement that information concerning standalone BIAS offerings, including Performance Starter, is included on Comcast product lists and in ordering systems at Comcast retail locations. Comcast also maintains a linkable web page devoted exclusively to describing (e.g., price and speed) and permitting online purchase of all retail standalone BIAS offerings, including Performance Starter, by both new and existing Comcast customers. As in previous years, an increasing percentage of the standalone BIAS customers are signing up online.

#### 3. BIAS Reports

Requirement that Comcast file a report regarding its compliance with Condition IV.D.1 annually and upon any standalone BIAS price adjustment: Comcast filed the reports required by

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<sup>&</sup>lt;sup>17</sup> In the Matter of Comcast Corporation, File No.: EB-11-IH-0163, Consent Decree (rel. Jun. 27, 2012) ("Broadband Consent Decree"), at ¶ 15. Most of the substantive provisions of the Broadband Consent Decree, including the requirement to offer Performance Starter, expired on February 21, 2015.

this Condition.<sup>18</sup>

# E. Other BIAS Conditions

# 1-2. Specialized Service Requirements

Requirements that apply should Comcast offer a "Specialized Service" that includes its own or third-party content: Comcast is not offering any "Specialized Service" as described in Condition IV.E.

# 3. 12 Mbps Offering

Obligation to offer a BIAS tier of at least 12 Mbps down in all Comcast DOCSIS 3.0 markets: A "Performance" service tier with at least 12 Mbps download speeds continues to be offered across Comcast's entire DOCSIS 3.0 footprint. In fact, Comcast's top 30 markets offer a Performance tier of at least 25 Mbps down, and numerous faster services like the 150 Mbps "Extreme" and the 2 Gbps "Gigabit Pro" tiers, again delivering speeds well above the condition's requirements.

# F. "Specialized Service" on Comcast Set-Top Boxes ("STBs")

Provision noting that the requirements of Condition IV.E.1 and 2 will apply should Comcast STBs enable access to a "Specialized Service": Because Comcast is not offering any "Specialized Service" as described in Condition IV.E, this Condition does not apply.

#### G. <u>Unfair Practices</u>

Prohibition on unfair methods of competition, retaliation, and improper influence: The requirements of this Condition are consistent with the Company's ordinary business practices and have been fully complied with.

#### V. NOTICE OF CONDITIONS

Requirement that the Company provide notice of the Conditions to OVDs, MVPDs, and video programming vendors in connection with expiring agreements or new requests: In response to new requests for carriage or programming, or expiring agreements, the Company provides the requesting party with a copy of the Conditions by e-mail. During the Reporting Period, NBCUniversal distributed over 700 notices of Conditions to MVPDs, video programming vendors, and OVDs, and Comcast distributed nearly 140 notices to programmers.

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Letters from Lynn R. Charytan, Executive Vice President and General Counsel, Comcast Cable & Senior Vice President and Senior Deputy General Counsel, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 filed on Feb. 28, 2017; Jun. 14, 2017; Aug. 17, 2017; Sep. 20, 2017; Oct. 4, 2017; Nov. 21, 2017. Comcast filed its last required report pursuant to this Condition on January 16, 2018.

#### VI. REPLACEMENT OF PRIOR CONDITIONS

*Provision replacing Adelphia arbitration procedures:* This Condition is administrative in nature.

#### VII. COMMERCIAL ARBITRATION REMEDY

*Procedures for arbitration:* This Condition is administrative in nature; however, to the extent that the Company has engaged in arbitration pursuant to the Conditions to date, these procedures have governed and been followed.

#### VIII. MODIFICATIONS TO AAA RULES FOR ARBITRATION

Modification of the American Arbitration Association's rules: This Condition is administrative in nature.

#### IX. BROADCAST CONDITIONS

Requirement to comply with Sections 2, 3, and 7 of the June 3, 2010 Agreement between Comcast Corporation, NBC Universal, Inc., and the NBC Television Affiliates (the "NBC Affiliates Agreement"), and with all of the terms of the June 21, 2010 Agreement between Comcast Corporation and the ABC Television Affiliates Association, the CBS Television Network Affiliates Association, and the FBC Television Affiliates Association (the "ABC, CBS and Fox Affiliates Agreement"):

The Company abides by its affiliate market integrity obligations, and it has maintained major sporting events on the NBC Network, including NFL *Sunday Night Football* (the No. 1 show in primetime for adults 18-49 for seven consecutive TV seasons). Indeed, demonstrating its commitment to broadcast, NBC won its fourth consecutive September-to-September television season in the key primetime demographic of adults 18-49, the first time in 14 years that the network has won the full season in the 18-49 demographic without the Super Bowl or Olympics programming. And, next month, the NBC Network will broadcast Super Bowl LII and over 176 hours of the XXIII Olympic Winter Games from PyeongChang, South Korea, a record for a Winter Olympics. For the first time for a Winter Games, NBC will present Olympic primetime coverage live across all time zones. PyeongChang will be the first Winter Games to offer live streaming of the NBC Network, including primetime and primetime-plus

 $\underline{https://corporate.com/news-information/news-feed/nbc-wins-its-4th-straight-september-to-september-season} \ (Sep.\ 19,\ 2017).$ 

NBC Wins 4th Straight September to September Season,

NBCUniversal to Set Winter Olympics Record with 2,400+ Hours of Coverage of PyeongChang 2018, <a href="http://www.nbcuniversal.com/press-release/nbcuniversal-set-winter-olympics-record-2400-hours-coverage-pyeongchang-2018">http://www.nbcuniversal.com/press-release/nbcuniversal-set-winter-olympics-record-2400-hours-coverage-pyeongchang-2018</a> (Nov. 28, 2017).

programming.<sup>21</sup>

Further, the Company maintains separation between its cable and broadcast businesses with respect to NBCUniversal's negotiation of affiliation agreements and retransmission consent agreements with non-Comcast MVPDs, and Comcast's negotiations of retransmission consent agreements with broadcasters.

#### X. DIVERSITY CONDITIONS

Over the past seven years, Comcast and NBCUniversal have taken significant steps toward becoming the most successful model of diversity and inclusion in the communications and entertainment industry. The Company's strategic approaches and detailed plans are designed to achieve and build upon the diversity and inclusion initiatives in five key focus areas that cut across all aspects of the business: Governance, Workforce, Procurement, Programming, and Community Investment. Detailed facts and figures spanning these five focus areas are included in "Our Foundation for Innovation," the Company's Diversity and Inclusion Progress Report released in July 2017. This voluntary, best-in-class publication describes the Company's diversity and inclusion achievements between year-end 2010 and year-end 2016.<sup>22</sup>

The Company was also honored to be named to the number one spot on *Fortune* magazine's 100 Best Workplaces for Diversity for 2017.<sup>23</sup> Determined by employee feedback and the ethnic and gender composition of the Company's workforce, this first-time achievement is a reflection of the progress that the Company is making in the area of diversity, and the pride our employees have in the inclusive culture they have all helped to create. *Fortune* also recognized the Company as one of the country's best places to work for women.<sup>24</sup> In addition, Comcast NBCUniversal was designated a 2017 Top Company for People of Color by the National Association for Multi-ethnicity in Communications (NAMIC), and named for the fourth time in a row as one of "The Civic 50," which recognizes the most community-minded companies in the nation, by Points of Light, the world's largest organization dedicated to volunteer service. And for the sixth consecutive year, Comcast NBCUniversal earned a score of 100 percent on the Human Rights Campaign's Corporate Equality Index (CEI) and was named a Best Place to Work for LGBTQ Equality.<sup>25</sup>

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NBC Olympics to Live Stream 1,800 Hours of 2018 PyeongChang Olympics, <a href="https://corporate.com/news-information/news-feed/nbc-olympics-to-live-stream-1800-hours-of-2018-pyeongchang-olympics">https://corporate.com/news-information/news-feed/nbc-olympics-to-live-stream-1800-hours-of-2018-pyeongchang-olympics</a> (Nov. 16, 2017).

<sup>&</sup>lt;sup>22</sup> See <a href="http://update.comcast.com/download/13400/">http://update.comcast.com/download/13400/</a>

<sup>&</sup>lt;sup>23</sup> See <a href="http://fortune.com/best-workplaces-for-diversity/">https://fortune.com/best-workplaces-for-diversity/</a> and <a href="https://www.greatplacetowork.com/best-workplaces/diversity/2017">https://www.greatplacetowork.com/best-workplaces/diversity/2017</a>

<sup>&</sup>lt;sup>24</sup> See http://fortune.com/best-workplaces-for-women/comcast-nbcuniversal-31/.

<sup>&</sup>lt;sup>25</sup> Comcast NBCUniversal Named Best Place to Work for LGBTQ Equality, https://corporate.comcast.com/news-information/news-feed/comcast-nbcuniversal-named-best-place-to-work-for-lgbtq-equality (Nov. 14, 2017).

In particular, the Company has been a demonstrated leader in supporting diverse programming and remains committed to delivering programming that reflects the diverse interests of its customers across all platforms, including linear channels, VOD, and Online. Comcast carries more than 100 networks geared toward diverse audiences, including multiple networks owned or operated by minorities. Comcast is proud to be one of the nation's largest providers of Latino content, with a television distribution platform that offers more than 60 Latino networks, in both Spanish and English, to its customers.

The Company's comprehensive diverse content offerings are available on the XFINITY VOD platform, where customers can access dedicated folders for African American, Latino, LGBT, and International television and film, including popular collections like Cinema Asian America. In addition, Comcast offers first-of-their-kind, one-stop Internet destinations for entertainment features and news geared towards diverse audiences. <sup>26</sup> Each of these microsites features audience-specific news, blogs, and XFINITY TV programming, including award-winning movies, TV shows, celebrity interviews, behind-the-scenes footage and entertainment news featuring entertainers, artists, and historical figures.

The Company continues to make strides on the Accessibility of its products and services. In 2017, Comcast adjusted and increased the rate at which text is spoken when Voice Guidance is enabled on X1 and hot-keyed the "B" key on the remote so customers can easily launch the full menu of accessibility settings. In addition, Comcast now offers the ability to turn on "Enhanced Text Readability" in the Accessibility Settings menu which deepens contrast and increases font size within the X1 guide. Approximately 10% of Comcast customers use accessibility features, including customers with disabilities, those who speak English as a second language, kids, seniors, and people with cognitive disabilities.<sup>27</sup>

The Company continues to invest hundreds of millions of dollars in Telemundo. Telemundo unseated Univision as the most-watched Spanish-language network in prime time for the first time ever for a full TV season.<sup>28</sup> Telemundo continues to draw bigger audiences through a multi-platform approach that includes investments in news, original programming, including its serialized dramas and action-packed "Super Series<sup>TM</sup>" and sports, including exclusive U.S. Spanish-language TV rights to air the FIFA World Cup competitions through 2026, including this summer's FIFA World Cup.

<sup>&</sup>lt;sup>26</sup> XFINITY offers the following microsites: Black Film & TV (<a href="http://my.xfinity.com/celebrate-black-tv">http://my.xfinity.com/celebrate-black-tv</a>), Latino TV (<a href="http://my.xfinity.com/latino">http://my.xfinity.com/latino</a>), Asia American Film & TV (<a href="http://my.xfinity.com/asian-american">http://my.xfinity.com/latino</a>) and LGBT (<a href="http://my.xfinity.com/lgbt">http://my.xfinity.com/lgbt</a>).

<sup>&</sup>lt;sup>28</sup> C.Ariens, Telemundo is Poised to Beat Univision in Prime-Time Viewership for the First Time, AdWeek.com, <a href="http://www.adweek.com/tv-video/telemundo-is-poised-to-beat-univision-in-prime-time-viewership-for-the-first-time/">http://www.adweek.com/tv-video/telemundo-is-poised-to-beat-univision-in-prime-time-viewership-for-the-first-time/</a> (Sep. 20, 2017).

#### 1. Telemundo Multicast Channel

Requirement that the Company launch a new multicast channel on its Telemundo Station Group stations by January 28, 2012, and make this programming available to Telemundo affiliates: As previously reported, this obligation has been completed.

# 2-3. Telemundo and mun2 Programming on VOD and Online

Requirement that the Company use its Video on Demand ("VOD") and Online platforms to feature Telemundo programming and increase the number of Telemundo and mun2 VOD programming choices from 35 to 100 choices within 12 months and by an additional 200 choices within 3 years: As previously reported, this obligation has been completed.

#### 4. New Weekly Business Program

Obligation to work with an independent producer to produce a new weekly business news program: As previously reported, this obligation has been completed.

# 5. Independent Programming Reports

Requirement to file quarterly reports concerning the independent programming aired by the Company's owned or controlled stations and programming networks: As previously reported, this obligation has been completed.

#### XI. LOCALISM

#### 1. News, Public Affairs, and Other Local Public Interest Programming

Obligation to "preserve and enrich the output of local news, local public affairs, and other public interest programming" through the use of certain windows on the NBCUniversal-owned stations, time slots on the cable channels, and Comcast VOD and Online platforms: Beyond the considerable, long-term investments in local news operations summarized in previous annual reports, the Company continues to preserve and enhance local news by making strategic investments in its owned stations (see subsections XI.1.b and c below) and in other ways as well.

# a. <u>Preservation of Current Levels of NBC and Telemundo News and Information Programming</u>

Prohibition on reduction of current level of news and information programming on the stations that comprise the NBC Owned Television Stations and Telemundo Station Group divisions: As previously reported, this obligation has been completed.

#### b. Increased Investment in NBC Local News

Obligation to expand newscasts at the stations that comprise the NBC Owned Television Stations division: As previously reported, this obligation has been completed. The tremendous growth of investment in the newscasts of the NBC Owned Television Stations was described in prior reports and has continued apace.

#### c. Increased Investment in Telemundo Local News

Obligation to increase investment in the Telemundo Station Group's locally-produced newscasts, over five years: As previously reported, this obligation has been completed. The tremendous growth of investment in the newscasts of the Telemundo Owned Television Stations was described in prior reports and has continued apace.

#### 2-3. 1,000 Hours of Additional Local News and Information Programming

#### a. NBC Owned Television Stations

Requirement that the stations that comprise the NBC Owned Television Stations division produce an additional 1,000 hours per year of original, local news and information programming to air on multiple platforms: This obligation has been completed.

# b. Telemundo Station Group

Requirement that at least six of the stations that comprise the Telemundo Station Group division collectively produce an additional 1,000 hours per year of original, local news and information programming: This obligation has been completed.

# 4. News and Information Programming Reports

Requirement to file quarterly reports regarding the news and information programming aired on the stations that comprise the NBC Owned Television Stations and the Telemundo Station Group divisions: This five-year obligation was completed with the final required report filed for the first quarter of 2016.

#### **5.** Non-Profit News Partners

Requirement that half of the 10 stations that comprise the NBC Owned Television Stations division establish cooperative arrangements with locally focused non-profit news organizations: As previously reported, this obligation has been completed.

# 6. More VOD Choices at No Additional Charge

Obligation to continue providing at least 20,000 VOD choices at no additional charge to Comcast customers within three years of the Closing of the Transaction: As previously reported, this obligation has been completed.

#### 7. Broadcast Content on VOD

Obligation to make available certain broadcast content at no additional charge on Comcast's VOD service for three years after the Closing of the Transaction: As previously reported, this obligation has been completed.

#### XII. JOURNALISTIC INDEPENDENCE

Requirement that the Company continue NBCUniversal's policy of journalistic independence: Comcast maintains a policy to ensure the journalistic independence of the news programming organizations of all NBCUniversal networks and stations. NBCUniversal's policy of journalistic independence remains in effect and is overseen by David McCormick, NBCUniversal News Ombudsman and Senior Vice President, Standards, NBCUniversal News Group, and supported by Kevin Keeshan, Senior Vice President, News Content and Standards of the NBC Owned Television Stations division and Ozzie Martinez, Senior Vice President of News and Standards for the Telemundo Stations Group.

#### XIII. CHILDREN'S PROGRAMMING

#### 1. Additional Children's VOD and E/I Programming

- a-b. Requirement to add an additional 500 VOD programming choices appealing to children and families to Comcast's central VOD storage facilities by year-one and an additional 1,000 choices by year-three: As previously reported, this obligation has been completed.
- c. Obligation to provide one additional hour per week of children's "core" E/I programming: As previously reported, this obligation has been completed.

# 2. Ratings Icons and Parental Controls

# a. <u>Improved Ratings Icons</u>

Requirement that the Company provide clear and understandable on-screen TV ratings information for all original entertainment programming on its broadcast and cable networks in compliance with the cable industry's best-practice standards: As previously reported, this obligation has been completed.

# b. <u>Improved Parental Controls</u>

Requirement that the Company provide improved parental controls for Comcast program guides and STB applications: As previously reported, this obligation has been completed.

#### c. Parental Dashboard

Obligation to provide a parental dashboard that places all parental controls in one place, and white listing capabilities on tru2way boxes, by the end of 2013: As previously reported, this obligation has been completed.

# d. Blocking Capabilities of IP-based STBs

Obligations to provide parental controls and blocking capabilities for IP-based STBs: This obligation has been completed. In 2017, Comcast began deploying IP-based STBs that feature the full set of parental controls offered by the X1 platform, including the ability to restrict the viewing of programs, as well as certain program titles and channels. X1 parental controls now include the ability to set parental control locks so that individual applications can be allowed or locked, including Netflix, Watchable, and Pandora. Comcast also enhanced Parental Controls on xFi, a new and personalized Wi-Fi experience that allows customers to set parental controls and even pause Wi-Fi access on their home network during dinner or bedtime. xFi now includes protective search settings for Google, Bing, and YouTube.

#### e. Online Ratings Icons

Obligation to include program ratings information in the Company's produced or licensed programming that the NBCUniversal networks provide to NBC.com, to other NBCUniversal websites, and to Hulu.com: As previously reported, this obligation has been completed.

# 3. Partnership with Common Sense Media ("CSM")

Requirement to expand the Company's partnership with organizations offering enhanced information to help guide family viewing decisions: Comcast continues to use CSM materials as part of its efforts to provide parents with information to help them make educated viewing decisions for their families. As previously reported, CSM content – including thousands of review videos, tip videos, ratings, and recommendations – is integrated into Comcast's VOD service and promoted on xfinityTV.com. On the X1 platform (including the Xfinity Stream app), families can use CSM ratings to filter age-appropriate content for live programming. Comcast continues to expand Kids Zone, a feature on X1 that gives parents extra peace of mind by offering a safe and secure experience for children to explore their favorite content and discover new programming. When in Kids Zone, children can browse all on their own, selecting live programming, free VOD content, movies, and TV shows purchased through the Xfinity Digital Store, as well as any saved programming on the DVR – all of which has either been flagged by the network or studio as children's programming, or deemed age-appropriate for children 12 and under by CSM.

# 4-5. Interactive Advertising

Restrictions on the use of "Interactive Advertising" in programming produced primarily for children: As previously reported, this obligation has been completed.

#### 6. PSAs

Requirement that the Company, for five years, provide \$15 million worth of PSAs per year on various public interest topics: As previously reported, this obligation has been completed.

#### XIV. PEG CONDITIONS

#### 1. No Migration to Digital Delivery

Prohibition on migrating PEG (Public, Educational, and Governmental) channels to digital delivery on any Comcast cable system until the system has converted to all-digital distribution: During the Reporting Period, Comcast did not migrate any PEG channels to digital delivery on any system that has not converted to all-digital distribution.

# 2. PEG Carriage on Digital Starter

Requirement that Comcast carry all PEG channels on its digital starter (D0) tier: During the Reporting Period, Comcast maintained carriage of all PEG channels on its digital starter (D0) tier or on an equivalent tier that reaches 85% of subscribers on the applicable Comcast system.

#### 3. Quality of PEG Delivery

Prohibition on changing the method of delivery of PEG channels that results in a material degradation of signal quality or impairment of viewer reception: During the Reporting Period, Comcast did not implement any changes in the method of delivery of PEG channels that resulted in a material degradation of signal quality or impairment of viewer reception.

#### 4. PEG Pilot Program

Obligation to develop a platform to host PEG content on VOD and online: As previously reported, this obligation has been completed.

#### XV. NCE and LOCAL NCE

Requirements with respect to Comcast's carriage of Qualified Noncommercial Educational ("NCE") Stations and Qualified Local Noncommercial Educational ("Local NCE") Stations: The Company complied with its obligations pursuant to this Condition.

#### XVI. BROADBAND DEPLOYMENT AND ADOPTION

#### 1. Broadband Footprint Expansion

# a. <u>1,500-mile Expansion</u>

Requirement that Comcast expand its broadband network by at least 1,500 miles per year for three years and extend its broadband plant to approximately 400,000 additional homes: As previously reported, this obligation has been completed.

#### b. Internet Service Upgrades to Rural Communities

Requirement to upgrade Internet service to at least six additional rural communities in 2011: As previously reported, this obligation has been completed.

#### c. Additional Courtesy Accounts

Requirement to provide an additional 600 Comcast courtesy video and BIAS account locations over three years at a rate of 200 additional locations per year: As previously reported, this obligation has been completed.

# 2. Broadband Adoption – *Internet Essentials*, the Comcast Broadband Opportunity Program

Requirement to launch the Comcast Broadband Opportunity Program: As previously reported, although this Condition was satisfied in June 2014 (in fact, this was another Condition on which Comcast substantially over-delivered on its commitment), Comcast has extended the service offering indefinitely. Internet Essentials from Comcast, the most successful and comprehensive broadband adoption initiative in the United States, has connected four million low-income Americans to the Internet at home, most for the very first time.<sup>29</sup>

# XVII. GENERAL

Prohibition on the Company entering into any agreement or arrangement or taking any other action that has the purpose or effect of impairing the effectiveness of these Conditions: The Transaction Compliance Team and the Company's internal review process are in place to oversee compliance with this Condition.

#### XVIII. VIOLATIONS

Provision stating that any violation of the Conditions shall be a violation of the Transaction Order: This section is informational only.

Four Million Low-Income Americans Have Crossed the Digital Divide through Comcast's Internet Essentials Program, <a href="https://corporate.comcast.com/news-information/news-feed/4m-low-income-americans-have-crossed-the-digital-divide-through-internet-essentials-program">https://corporate.comcast.com/news-information/news-feed/4m-low-income-americans-have-crossed-the-digital-divide-through-internet-essentials-program</a> (Aug. 15, 2017).

# XIX. REPORTING REQUIREMENTS

Requirement that the Company report to the Commission annually regarding compliance with these Conditions and post each such report on its website: The filing of this report satisfies this Condition for the final year. A copy is available as of today on the Corporate Website.

# XX. TERM

*Provision setting general seven-year term for the Conditions:* This section is informational only.